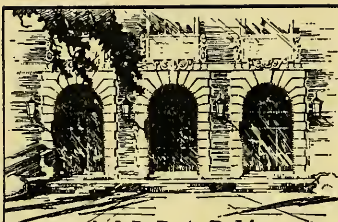

AN INVESTIGATION

INTO

THE CAUSES

OF

THE PRESENT DISTRESS;

AS ARISING FROM

TAXATION, FREE TRADE,

OR

CURRENCY.

London:

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PREFACE.

As the long-continued distress of the industrious classes has been attributed to various causes—by some to Taxation, by some to Free Trade, and by others to our Currency, the Author of this pamphlet has been induced to attempt such an investigation of the subject, as may show what portion of that distress is really attributable to each of these causes.

In the present state of the country, he feels that no apology is necessary in submitting this investigation to the consideration of the Legislature, and of the Public; though he must express his fear that want of knowledge in technical terms, and of experience in composition, have rendered the reasoning less intelligible than he could wish.

In the earnest hope, however, that it may be attended with some benefit to the suffering portion of the community, and to the permanent welfare of the country generally, he does not hesitate to lay the pamphlet, with all its faults, before those, for the promotion of whose happiness and prosperity the investigation was undertaken.

THE CAUSES

OF

THE PRESENT DISTRESS.

In order to ascertain what separate effect our Taxation, our approaches to a system of Free Trade and a Metallic Currency, have, each of them, on the prosperity of the country, we will suppose a few cases, simplified as much as possible, by leaving out all the intricacies of modern commerce, and confined to the interchange of one or two of the most necessary articles of life; sufficient only to shew the simple effect of these three causes, which must, at the present time, be operating powerfully; though, from the artificial state of society, not very palpably, on the prosperity of the country.

In the first case, we will suppose our commerce, both foreign and domestic, to be carried on by barter; English producers paying in taxation a fifth of their productions, whilst those of another country, say France, are free from taxation. We will assume also, that an equal degree of labour is

required in each country to bring to perfection a sack of wheat, and a yard of cloth.

In the second case, we will suppose the English manufacturer to make such improvements in machinery as to be able to produce, with the same labour, double the quantity of cloth as formerly.

In the third case, we will suppose the English and French farmers and manufacturers to be relatively circumstanced, as in the first case; but that a third country, possessing gold, say Mexico, opens a fresh source of trade to the two former countries.

In the fourth case, we will suppose that this gold is made use of as a medium of exchange, and becomes a measure of value; and that France and England carry on their domestic and foreign trade through this medium, instead of by barter.

In the fifth case, we will suppose that France continues to do the same; but that England, as regards her domestic trade, substitutes a credit currency, and makes use of gold only as an article of luxury, or as a medium of exchange in her foreign commerce.

In the *first* supposed case, an English farmer raises a sack of wheat with the same quantity of labour as that with which an English manufacturer produces a yard of cloth. The same is the case in France, and the same degree of labour is required in both countries. But the English farmer pays his fifth sack of wheat, in taxation, to the Government; and the manufacturer his fifth yard of cloth;

whilst the French farmer and manufacturer are untaxed. What, then, is the effect on the domestic and foreign commerce of each country?

The same relative value between the two articles exists in England as in France, notwithstanding the difference of taxation; the one being, in barter, an equivalent for the other, in either country. So that an English farmer will obtain of an English manufacturer a yard of cloth for his sack of wheat, and *vice versá*, as will be the case also between a French farmer and a French manufacturer.

As respects the foreign trade between the two countries, since the same relative value exists between the two articles in each country, a sack of wheat exchanging for a yard of cloth in one as well as in the other, the French farmer and manufacturer will neither of them supply the English market; because the article which either of them has to dispose of, will obtain, in return, no more of the other article in England than in France. Consequently, the cost of freight, insurance, &c. will confine them to their home market, and the same will be the case with the English producers.

In the *second* supposed case, the English manufacturer, by improvements in machinery, produces, with the same labour, double the quantity of cloth as before; so that the same labour produces two yards of cloth in England, as produces but one in France, and as is required to produce a sack of wheat in either country.

As taxes are taken in kind, every fifth yard of cloth will still go to Government; the remaining four will become exchangeable for two sacks of wheat instead of four, the labour on four yards of cloth being now equivalent to that on two sacks of wheat. So that the English farmer, in purchasing his necessary quantum of cloth, will only have to dispose of half as much surplus produce as before.

Let us also see the effect of this case on our foreign trade. In England, the labour required to produce a sack of wheat, is equivalent to that which is required to produce two yards of cloth; whereas in France it is equivalent to that which produces only one yard of cloth. It is obvious, then, that with a free trade between the two countries, the French farmer will purchase his cloth in England, where he can obtain, in barter for his wheat, a considerably larger quantity than he is able to obtain at home, after deducting the cost of freight, insurance, &c., on both articles.

Taxation, therefore, it would at first appear, does not prevent the manufacturer from deriving the full benefit of his improvement in increasing the foreign demand for his productions. But how long will this benefit to the manufacturer continue? We will first assume that three-fifths of our productions, as well as those of France, are required to reproduce another five-fifths, leaving two-fifths as surplus produce.

The English manufacturer has now, for the same

labour, double the quantity of surplus produce that he had previous to his improvement in machinery, which places him, after payment of his taxation, in a position equal to the untaxed French manufacturer, but still only in an equal position. It is evident, therefore, that a strong competition will arise between the English and French manufacturers, in supplying the French farmers. The effect of this will be to lower the comparative value of cloth in France, making it exchange for a smaller quantity of wheat; and this will continue, in all probability, till the exchangeable surplus produce of the English manufacturer will only obtain for him one sack of wheat, as it did previous to his improvement in machinery, he being, of course, able to carry on his business as long as he receives in exchange for his surplus produce the same quantity of wheat he received previously to such improvement; and the French manufacturer being able to carry on his, so long as it yields him the same return as induces the English manufacturer to continue his business. The cost of freight, &c. will now again confine each party to the home market.

What, then, is the ultimate situation of the respective parties, in consequence of the improvement in machinery by the English manufacturer? He, it seems, obtains no more wheat than he did before, although he has double the quantity of surplus produce to dispose of. The English farmer

obtains double the quantity of cloth, though having no more surplus produce to exchange for it. The French manufacturer obtains in exchange for his surplus produce only half the quantity of wheat he obtained previously, whilst the French farmer, like the English farmer, obtains double the quantity of cloth he did before.

In the *third* supposed case, the English and French manufacturers are circumstanced as in the first case, but find a new market for their produce in Mexico, or a country possessing gold, which is willing to barter with them.

It is evident that each country must barter on the same terms with Mexico, that the English farmer or manufacturer will obtain just as much gold, and no more, for his wheat or cloth, than the French farmer or manufacturer. The former, however, having only half as much disposable surplus produce as the latter, can only procure half the quantity of gold, which proportion will exist under any alteration in the relative values of gold and produce.

In the *fourth* supposed case, the gold of Mexico is made use of as a medium of exchange and measure of value, and France and England carry on their domestic and foreign trade through this medium, instead of by barter.

The value of every article is now estimated according to the quantity of gold that can be obtained for it in the general market. Suppose a sack of

wheat and a yard of cloth each to sell for one ounce of gold, and that the English Government engage, for convenience sake, to pay the national creditor in gold instead of in kind, and levy on the English farmers and manufacturers the tax of one ounce of gold, in lieu of every fifth sack of wheat, and every fifth yard of cloth. Still the machinery goes on as before—the English farmer and manufacturer having half as much to expend on luxuries as those of France, carrying on their home trade as during the period of barter, and exchanging their surplus produce for the gold of Mexico. From the desire which arises to possess this gold, a stimulus, however, is soon given to production—a competition arises between England and France, and more wheat and cloth are brought into the market than Mexico requires. A larger quantity of these productions is now offered for the ounce of gold, or, in other words, prices fall, till at length *two* sacks of wheat and *two* yards of cloth, instead of *one*, are given in exchange for an ounce of gold.

As, under the system of free trade, the price of the home market is unavoidably governed by that of the foreign, let us see what effect this fall of prices in the Mexican market will have on the English and French producers.

As it now requires *two* sacks of wheat and *two* yards of cloth, instead of one, to purchase an ounce of gold, the English farmer and manufacturer will have to dispose of the whole of their surplus pro-

duce, in order to pay to Government the tax of an ounce of gold, previously substituted for *one* sack of wheat, and *one* yard of cloth; whereas the French farmer and manufacturer will still be able to enjoy the luxury of gold, reduced, however, in consequence of competition, to half the quantity.

In the *fifth* supposed case, France makes use of gold, as a medium of exchange, in both her domestic and foreign trade; but England, as regards her domestic trade, makes use of a credit currency, in which also the taxes are paid, using gold as an article of luxury only, or as a medium of exchange in her foreign commerce.

What will now be the effect of such a fall of prices as contemplated in the last case?

The English farmer and manufacturer pay to the Government the value of every fifth sack of wheat and fifth yard of cloth, in their *domestic* currency, having one-fifth of their produce to exchange for gold; but as their wheat and cloth, as compared with gold, have been reduced to half their value, they will only receive half the quantity of gold, or luxuries, they obtained before. Still, as compared with the French farmer and manufacturer, their situation will remain the same as during the system of barter, having the means of procuring half the luxury obtained by the latter, as at that period: nor will the relative situation of the farmers and manufacturers of the two countries be altered by any rise or fall in the foreign or *general*

market; Mexico obtaining, for a certain weight of gold, the same quantity of wheat and cloth from either party, whatever that quantity may be, and the farmers and manufacturers of England, having always half the quantity of surplus produce to exchange, as compared with those of France.

But will not the fall in price of wheat and cloth in the foreign market, as compared with gold, affect the price of the *home* market?

As it would rather appear to the English farmer and manufacturer that gold was become dearer, than that wheat and cloth were become cheaper, (those productions still exchanging for the same amount in their domestic currency, as we shall presently see,) there would, in all probability, be no check given to exportation; consequently, the fall of price in the foreign market would not cause an accumulation of produce, and therefore no reduction of price in the home market. As regards France, however, the fall in price of wheat and cloth in the foreign market would depress her home prices in the same degree; because gold, being her medium of exchange, and, consequently, her measure of value, her farmers and manufacturers would sell their productions at home, whenever they could obtain more gold in exchange than could be procured for them in Mexico.

In England, the home trade is carried on through the medium of a credit, or private currency; therefore gold will be considered merely as an article of

luxury, and only sought as such. Should it even be occasionally brought into the home market, still it will not have any effect on prices in the domestic currency. If a farmer, who had sold his two sacks of wheat in the foreign market, were to bring home in exchange an ounce of gold, and subsequently were to offer with that gold to purchase cloth of the manufacturer, the latter would consider what quantity of cloth he must send into the foreign market to obtain an ounce of gold, and would make his bargain accordingly, without any reference to the value of cloth in the domestic currency; because the latter, not being exchangeable for gold in the general or foreign market, its value could not be measured, like wheat and cloth, by that standard; and, consequently, the manufacturer could not tell that the price, which he was offered in the gold or general currency, was higher or lower than that which he could obtain in the credit or domestic currency. The value of the domestic currency would be measured by the quantity of produce it would exchange for in the *home* market, and that of gold by the quantity of produce it would exchange for in the *foreign* market; so that, according to the quantities of produce for which those currencies would respectively exchange, would be their relative value in the English market. Each standard would act independently of the other: nor could an alteration in the value of one affect the value of the other.

Their relative values would, however, be thereby changed, when coming in contact in the English market; just in the same manner as the relative values would be changed between the currency so altered in its value, and the productions for which it usually exchanged.

Case the *first*, proves that a well regulated taxation does not render the most perfect freedom of trade in the slightest degree injurious to us.

Case the *second*, proves that taxation does not prevent us deriving the benefits of improvements in cheapening articles of produce in the home market; but it shows the great injury it inflicts in preventing us from deriving that increase of foreign trade, which ought to result from any improvement lessening the cost of production. Had the English manufacturer, in this case, paid no tax, he would have been able to have offered in exchange with the French farmer, double the quantity of cloth that the French manufacturer could have done, and consequently would have supplied the French market.

Case the *third*, proves that taxation is seriously felt in an abridgment of the comforts or luxuries of life, inasmuch as the English farmer and manufacturer, having only half the quantity of surplus produce to dispose of which the French farmer and manufacturer have, can only purchase half as much gold in the Mexican market. It proves also, that as the introduction of gold does not affect the

relative value of English and French productions, and as it cannot affect the relative value of English productions themselves, neither our home trade nor our foreign trade are thereby injured, although the system of international barter be perfectly free.

Case the *fourth*, proves that a metallic currency, being the general or international currency, and consequently the measure of value in the general market, may render taxation much more burdensome than it would otherwise be; and that the injury, thus inflicted on the producers, will render a corresponding, though uncalled for, benefit to the national creditor, in consequence of the currency in which he is paid commanding a larger portion of the necessaries or luxuries of life, than it was originally stipulated he should receive. This effect may arise either from an increased supply of produce, or from a diminished supply of gold. This case shews, also, that a metallic currency may even have the effect of ruining the producers in a heavily taxed country, as prices may fall so as to oblige them to dispose of the whole of their surplus produce, to raise money enough to pay the taxes; although at the same time producers, in countries comparatively untaxed, may be making a fair profit at the same prices. It shews also, that this injury is effected through the aid of free trade, or foreign competition; and as this effect did not arise when such trade was carried on by barter, it

proves that, in a highly taxed country, a metallic currency and free trade cannot co-exist, without causing serious distress.

Case the *fifth*, proves that our home trade, being carried on by means of a credit, or private currency, would escape the effect of being governed, as to its prices, by those of the foreign market. In fact, the adoption of a private currency would appear to place us in the same situation as we should have been in, had we continued to carry on our foreign trade by barter—that is, our taxation would be felt as a burden; but still it would not operate to prevent us carrying on a free trade, in the most unlimited sense of the expression, with the surplus produce we might still have to dispose of. This case also shews, that it is possible to prevent our taxation being unintentionally increased, in consequence of a rise in the value of the precious metals.

It may be observed, from the above cases, that as long as taxation bears equally on all productions, their relative values are unaltered by it; and, consequently, that our foreign trade (except in the event of our using a metallic currency) is not deranged. Therefore, with a credit currency at home, the effect of foreign competition would at once point out any article which was disproportionately taxed. If we found a difficulty in competing with foreigners in any one article of produce, we might be assured that such article was

either taxed disproportionately, or that foreigners had greater facilities in producing it—a knowledge of great utility to the statesman. It may be observed too, that duties on foreign goods are levied to counteract the effects produced by these circumstances, as well as those produced by simple taxation. In the latter case, they would never be needed, if we made use of a credit currency not convertible into the precious metals: whilst in the former, the effects would probably be obviated more judiciously by other means.

Upon the whole, then, it appears, that with a free trade, a metallic currency, or, which is the same in effect, a credit currency, convertible into the precious metals, may produce ruin, and must cause distress, in a country taxed considerably beyond its competitors; but that, with a credit currency, the prices of our home market, not being acted upon by those of the foreign, would be governed by the cost of production; whilst no fall of prices in the foreign market would materially, if at all, diminish the exportation of our surplus produce; inasmuch as whatever we could not obtain a remunerating price for at home, would be sold in the foreign market, in exchange for articles, which, being wanted here, would be valued by us according to the cost at which they were obtained; since our productions, selling for the same price as before in the home market, would not appear to us to have sunk in value;

but the articles, for which they were exchanged in the foreign market, would appear to have risen.

Many persons may conceive that if a metallic currency had the effect described, we should long ago have ceased to export; since we could not continue to do so at a loss. But it must be remembered, that what is at present commonly called free trade is only an approximation towards it. Still, however, I believe our exportations have, of late years, been attended with loss, or at least with very little or no profit. The fact, that when we sell in the foreign market, higher prices are obtained for our produce than could be procured at home, makes it appear that those exportations are attended with profit, although the articles exported may not sell for so much as the cost of their production. It may be said, that the producers would not continue to produce at a loss, or without profit; and, unquestionably, after a time, this would be the case, and most lamentable would be such a result: but every practical man knows, that when a person has a large capital engaged in machinery, or stock of any kind, and a large number of hands understanding the business he is carrying on, and whose place, if once they were dismissed, it would be difficult again to supply, he goes on from year to year, in hopes that times will mend, or that his competitors will abandon the field, rather than make so great a sacrifice as he

must do in the event of disposing of his machinery, which would then be worth little, and place himself in a situation of difficulty to renew the business when more flattering prospects arise.

On the one hand, taxation has a constant tendency to keep our prices high, as compared with the aggregate prices of other countries. On the other hand, gold has a constant tendency to the cheapest countries. So that our markets are kept in a continual state of fluctuation by the alternate preponderance of these causes. When gold is plentiful, taxation operates to raise prices, and gives us a gleam of prosperity; but no sooner do prices advance towards the remunerating point, than produce, being dearer in the home market than in the foreign, gold, as a matter of course, begins to leave this country, and continues to do so till the tide turns, in consequence of our prices becoming lower than those of the foreign market. Indeed, were it not the natural effect of gold leaving the country, to bring down prices, such effect must be produced artificially, as the only means of supplying the deficiency thus caused in the circulating medium. Thus, to maintain a sufficiency of circulating medium, we are making continual sacrifices in the sales of our produce.

It is proved, in case the fourth, that with a metallic currency and free trade, a fall in prices may be the means of causing the taxes to swallow up even the whole of our surplus produce. Whe-

ther it be a fall in the value of commodities, or a rise in the value of the precious metals, the effect will be the same. So that it is evidently the interest of a country heavily taxed, as this is, with fixed monied payments, to render herself independent of a cause which may produce such effects.

Any operation tending to raise prices will, I know, meet with strenuous opposition from many—interestedly from some—patriotically from others. That they should not be allowed to sink below a remunerating point is all I contend for*. Cheapness of commodities is doubtless beneficial to the community; but to endeavour to sink their prices below that point which will remunerate the producers, is to sap the foundation upon which the superstructure of our social edifice is raised. It is like the conduct of a man who would repair the upper part of his house by abstracting materials from the lower part. He may increase his comfort for a time; but, ere long, the whole fabric falls to the ground, and leaves him destitute.

To reduce prices below the remunerating point, for the sake of increasing our commerce, under the

* That they can, at any time, long remain much above that point, there is no fear; for we have sufficient experience, that competition, in a densely peopled country like England, is in constant operation to reduce prices.

idea that commerce will make us rich and flourishing, is a fallacy. It is putting cause for effect. Commerce is only the *instrument* by which our surplus produce becomes wealth—converting what would otherwise be of no value into articles of use or luxury. Stimulate the productive powers of the country; or rather, give them fair play, by preventing the paralyzing effect of home prices being governed by the foreign; and the energy of her sons will ensure to England an abundance of commerce.

A credit currency also, at the same time that it guards our home market from being glutted by a fall of prices in the foreign, does not prevent us, as consumers, from deriving the benefit of a fall of price, in any commodity, in the foreign market; such as may arise from increased facility of production. Suppose, for instance, a yard of cloth, of a certain quality, exchanged, in the foreign market, for twelve pounds of wool of a certain quality; the same relative values existing in the home market. If the foreign wool became depressed in price, so that the yard of cloth would exchange for eighteen pounds, a corresponding depression must take place in the home market, or our manufacturers would purchase their raw material in the foreign market, where they could obtain, in exchange for their manufactured goods, so much larger a quantity.

If it be proved that this country, labouring under a weight of taxation far exceeding that of the aggregate taxation of those countries with which she must come in competition in the foreign market, cannot, with a metallic currency, or, which is the same in effect, a credit currency, convertible, on demand, into the precious metals, compete with those countries; nor obtain, either at home or abroad, such prices for her productions as will leave a profit to her producers, and guarantee to the national creditor the solvency of his debtors; and if it be farther proved that a domestic currency, not convertible into the precious metals, would enable her producers not only to obtain a remunerating price in the home market, but also, under any fluctuation of price in the foreign market, to dispose of their surplus produce, and therefore to carry on, at all times, an unlimited free trade; of how much importance is it that the system of a credit currency should undergo the most serious consideration, with a view to ascertain whether it cannot be established on such a basis as will prevent a recurrence of those evils which have tended to bring the system into disrepute.

The object of this pamphlet has been to investigate the causes from which our difficulties have sprung; and if I have satisfactorily proved that we may be freed from them by the adoption of a credit currency, which at the same time enables us to

uphold the national faith, I have done all I wish; being satisfied that if our legislators are once convinced that a credit currency is really necessary, they will not find much difficulty in establishing such an one as will be perfectly safe, and ultimately give satisfaction to all parties. Some of the objections urged against a credit currency have much surprised me; for surely many, if not all the evils which proceeded from it, were the results of the *abuse*, and not of the *use* of it. Had Government obliged the country bankers to make deposits to at least the full amount of their issues, how could we have witnessed those sufferings which resulted from their failures? Had not the Bank of England been compelled to pay its notes in gold on demand, would those distresses have visited us which proceeded from the occasional contraction of its issues? Instead of increasing the evil whenever gold became scarce, it would have averted it altogether, by causing its notes to supply the deficiency.

With regard to panics. If a credit currency will have the effect of giving fair returns to industry, we shall not see men desirous of employing capital in those wild schemes which lead to losses and panics. They will rather employ it in trade and manufactures, thereby enriching themselves and their country. *Should* there be an indication of a superabundance of capital, as compared with employment, it is the duty of Government to

endeavour to direct it into such channels as will be productive of permanent benefit to the country. Had a vent been found for it in the undertaking of some great public works at the time that men could only find employment for it in the most extravagant schemes; not only would the country have derived a permanent benefit from such superabundance, but it would have been saved the disastrous consequences which ensued from the failure of those schemes; and the individuals might still have been in possession of an equivalent for their capital expended.

As to over-issues, I think the fear of such an occurrence, with a well-conducted credit currency, groundless. That bankers may contract their issues, and thereby cause great distress, there is no doubt: but I do not see how it is possible they can, for any length of time, cause an increase in the circulation beyond the wants of the country. If a person in the way of business take 100*l.* in bank notes, and does not want to purchase other commodities with them, he takes them at once to his bankers. So that, with regard to over-issues, a credit currency will regulate itself; for a banker's paper being of no intrinsic value, and costing him nothing, he sustains no loss by its remaining for a time unemployed, when returned to him; and will keep it in his coffers till the wants of the community again call for it. Had it been possible for bankers to have caused

an increase of the circulating medium beyond the necessary demands of the country, what prevented that increase from extending, during the Bank Restriction Act, to the amount of 100,000,000*l.*, or even 200,000,000*l.*? So far, however, from that having been the case, it is continually shewn, by the advocates of our present currency, in proof of its sufficiency, that the amount now in circulation is equal to what it was at any time during the Bank Restriction Act. So that even they themselves prove the groundlessness of the fear of an over-issue in the case of a credit currency. But the chief benefit of a well-regulated credit currency, as regards issues, is the certainty of not having them contracted so as to diminish the amount of the circulating medium below that which the wants of the country require.

I suspect the ill effects, which have been ascribed to over-issues on the part of the Bank of England and country banks, might, with more propriety, have been attributed to previous contraction, or insufficiency, which, on its removal, gave such a sudden spring and activity to commerce as to lead to over-trading; just as men, who have been under restraint for a time, think, on their restoration to freedom, they cannot sufficiently enjoy it; and, so thinking, run into temporary excesses.

But what, say many persons, is to prevent our currency becoming depreciated, as it was during

the Bank Restriction Act? In the first place, I doubt much whether it can be fairly shewn that such depreciation did take place. That a considerable alteration took place in the value of our paper currency and the precious metals is true; but in a general war, when those metals must have been so much in request for the payment of armies, and when very little business could have been transacted upon the continent by means of credit, such an alteration was to be expected, in consequence of the rise, in value, of the precious metals. A considerable alteration took place also in the comparative value of our paper currency and of our productions; but much of this was attributable to our increasing taxation, which required higher prices, in order still to afford a profit to the producers; and our currency being, if I may so call it, an elastic currency—expanding and contracting, according to the increasing or diminishing wants of the community, accommodated itself to the augmented burdens of the country. This likewise accounts in part for the alteration in the relative value of gold and paper—they becoming separated as standards, and acting independently of each other; in which case a considerable alteration in their relative values may take place without either of them becoming, properly speaking, depreciated—the one being a standard, by which are measured the relative values of commodities in England alone; the other, that by which they are

measured in the general markets of the world: and the costs of production in one case being probably much greater than those in the other. The little competition we met with in the foreign market contributed also to raise the price of our productions, and alter the relative value between them and our paper currency. It therefore appears to me that the depreciation of our paper was rather apparent than real.

To enter into the consideration of such a check as will, at the same time that it prevents depreciation, allow sufficient scope for the requisite expansion and contraction natural to a credit currency, as well as of other regulations best adapted to render such a currency safe and effective, would extend this pamphlet beyond its intended limits; and would be altogether useless, if the necessity for such a currency be not admitted. If the necessity be admitted, much experience in the proper formation of such a currency has been gained by the trial it received during the Bank Restriction Act.

That such a currency, if it be calculated to produce the effect pointed out in this pamphlet, is necessary, I think even the fundholders themselves must admit; at least, if they attend at all to the signs of the times. Can they think it possible, if something be not speedily done to relieve the pressure of taxation, and silence the present outcry against it, that the amount annually received by

them can continue to be levied on the people? And should the annual interest of the debt once fail to be raised, of what value will be the principal? On the other hand, if a credit currency will afford the relief anticipated, and bring the country again into a flourishing state, there would be little difficulty in raising a sufficient sum to convert that debt into annuities terminable at various periods, from twenty to one hundred years; and thus, by an additional annual sacrifice of perhaps five millions* (a considerable part of which would be saved and levied by the adoption and taxation of a credit currency), for twenty or five-and-twenty years, the principal would shortly begin to be paid off, and the country to be relieved of its burden—an effect which would speedily be felt, since that portion of the debt would be first paid off, on which the largest amount of interest would be payable.

* This sum would depend on the proportion of short annuities.

FINIS.

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